



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF  
TELECOMMUNICATIONS & ENERGY**

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December 22, 2003

David S. Rosenzweig, Esq.  
Keegan, Werlin & Pabian, LLP  
265 Franklin Street  
Sixth Floor  
Boston, MA 02110

Re: Boston Edison Company, D.T.E. 03-112

Dear Attorney Rosenzweig:

Enclosed please find the Department of Telecommunications and Energy's first set of information requests to Boston Edison Company in the above-captioned matter. Please submit responses on or before Wednesday, January 7, 2003.

Thank you for your prompt attention to this matter.

Sincerely,

Kevin F. Penders  
Hearing Officer

Enc.

cc: Mary L. Cottrell, Secretary  
Colleen McConnell, Assistant Attorney General

**BOSTON EDISON COMPANY**  
**D.T.E. 03-112**

**FIRST SET OF INFORMATION REQUESTS OF  
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO  
BOSTON EDISON COMPANY**

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**INSTRUCTIONS**

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy ("Department") submits to Boston Edison Company ("BECo" or "Company") the following information requests:

1. Each request should be answered in writing on a separate three-hole punched page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Please do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if BECo or its witnesses receive or generate additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.

5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. The term "Property" refers to BECo's interests in the land located off Vine and LaGrange Streets, principally in the City of Newton, Massachusetts.
7. If BECo finds that any one of these requests is ambiguous, please notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
8. If a question refers to an Information Request of another party, please provide that response and answer with information that supplements the previous response.

### **REQUESTS**

- DTE 1-1 Refer to Exh. NSTAR-BKR-1, at 4-5. The Company states that the Property is comprised of approximately 40 acres of residentially zoned land, primarily located in Newton.
- A. Please explain why the Company originally purchased the land.
  - B. Please explain whether the Company ever used the Property for the purpose of utility service.
- DTE 1-2 Refer to Exh. NSTAR-BKR-1, at 5. The Company states that it agreed to "treat costs associated with the Property as a component of its transition charge and to return the net proceeds of any subsequent sale in the Residual Value Credit."
- A. Please provide a detailed account of the historical ratemaking treatment for the Property.
  - B. Please explain why, in the Company's Restructuring Settlement, in Boston Edison Company, D.P.U./D.T.E 96-23 (1998), it was considered appropriate to include the net book value associated with the Property as part of the fixed component of the Company's transition charge.
- DTE 1-3 Refer to Exh. NSTAR-BKR-1, at 6-8. The Company states that it had originally notified parties interested in purchasing the Property that the Company would be

conducting a sealed bid sale, with all bids due on February 21, 2003. The Company also states that it agreed to extend the deadline for accepting bids to June 20, 2003. During any stage of the bidding process, were bidders or interested parties made aware of any bids or any other information pertaining to the bids (e.g., identity of other bidders, number of bids received, etc...)?

- DTE 1-4 Refer to Exh. NSTAR-BKR-1, at 8. The Company states that it “determined that, in order to maximize the proceeds from the sale of the Property, it would provide the two highest bidders the opportunity to participate in a second round of bidding.” Explain how and why the Company reached this determination, providing complete and detailed documentation.
- DTE 1-5 Refer to Exh. NSTAR-BKR-1, at 8. The Company states its “decision to seek a second round of bids after its initial conforming bids were received resulted in the Company receiving a higher price for the Property than if the Company had not sought a second round of bids.” Provide support for the Company’s assertion, including complete and detailed documentation.
- DTE 1-6 Please submit all written questions, memos or other documents submitted to the Company or its broker by potential bidders.
- DTE 1-7 Refer to Exh. NSTAR-BKR-1, at 5. The Company states that “as part of the Department-approved Settlement [in D.P.U./DTE 96-23], the Company agreed to treat its costs associated with the property as a component of its transition charge and to return the net proceeds of any subsequent sale in the Residual Value Credit.” Refer to Exh. NSTAR-BKR-1, at 6, the Company states marketing efforts to sell the Property via a competitive auction process began in January 2003. Explain why the Company waited nearly five years from the issuance of D.P.U./D.T.E. 96-23, before beginning the process of selling the Property.
- DTE 1-8 Please produce any studies in regards to the value of the Property. In addition, provide a comparison and explanation of the assumptions made in deriving the estimates used in each study
- DTE 1-9 Please explain in detail why the purchase price for the Property maximizes the value of the assets. In your answer, include all assumptions supporting the valuation under the purchase and sale agreement.
- DTE 1-10 Please describe the process used in retaining the real estate sales agent Insignia/ESG Inc.?

- DTE 1-11 Please explain why the Company used a sealed bid sale method as opposed to other methods? As part of this response, discuss whether another sales method may have resulted in a higher purchase price.
- DTE 1-12 Does the Company have information regarding the buyer's intended use of the property? If so, please provide all information regarding the buyer's intended use of the Property.
- DTE 1-13 Refer to Exh. NSTAR-BKR-3(a). Please provide copies of "Conceptual Development Plan A" and "Conceptual Development Plan B." Include any and all research materials that went into the development of these "Conceptual Development Plans."
- DTE 1-14 Please provide copies of any and all agreements/contracts between the City of Newton and Cornerstone Corporation that were entered into for the purpose of purchasing the property.
- DTE 1-15 Refer to Exh. NSTAR-BKR-1 (Supp), at 6. Please provide copies of the "site development report."
- DTE 1-16 Please provide a detailed description of the City of Newton's role in this transaction. Include with this response any available information concerning the portion of the Property to be acquired by Newton, the dollar amount Newton will be paying for its share of the Property, and Newton's intended use of the Property, etc.